

## **DoD Programs Addressing the Issue of Concurrent Receipt**

- 1. Concurrent Retirement and Disability Payments (CRDP) - New January 2004**
    - 2. Combat-Related Special Compensation (CRSC) - June 2003**
    - 3. Special Compensation for Severely Disabled Retirees (SCSD)**
- Effective October 1999 -- Repealed January 1, 2004**

The Department of Defense (DoD) is, and has been, making extra payments to retirees to overcome some or all the offset from retired pay associated with receipt of disability compensation from the Department of Veterans Affairs (VA). Retirees cannot receive benefits simultaneously under more than one of these three programs. The programs are:

**1. Concurrent Retirement and Disability Payment (CRDP):** The FY 2004 NDAA provides a 10-year phase-out of the offset to military retired pay due to receipt of VA disability compensation for members whose combined disability rating is 50% or greater. Members retired under disability provisions (10 U.S. Code chapter 61) must have 20 years of service.

**Effective January 1, 2004:** Payment will be made to nearly 150,000 qualified retirees for January entitlements on February 2. Those who have significant complications in their accounts (such as former spouse divisions or retirement under chapter 61) may be delayed in payments until their account can be manually reviewed, but will be paid retroactively.

**No Application:** Applications for CRDP are neither required nor accepted. DFAS will determine CRDP benefits automatically. Retirees who do not receive payment by April 1, 2004, but believe they qualify, should contact their Military Department or DFAS to determine the reason for non-payment.

**Rates:** CRDP is part of retired pay and cannot exceed the amount that would be otherwise offset. During CY 2004, CRDP will be paid to qualified retirees up to the following maximum amount based on the current monthly VA disability rating:

<b>100% (total)</b>	<b>\$750</b>
<b>90%</b>	<b>\$500</b>
<b>80%</b>	<b>\$350</b>
<b>70%</b>	<b>\$250</b>
<b>60%</b>	<b>\$125</b>
<b>50%</b>	<b>\$100</b>

**2. Combat-Related Special Compensation (CRSC):** The CRSC program pays added benefits to retirees who receive VA disability compensation for combat-related disabilities and have 20 years of service.

**Effective June 1, 2003:** CRSC became effective May 31, 2003, with first benefits payable July 1 for the June entitlement. Initially, benefits were payable to members with a combined combat-related disability rating of 60% or more, or with a combined rating of 10% or more for combat-related injuries for which they were awarded a Purple Heart.

**Effective January 1, 2004:** Eligibility was expanded January 1, 2004, to compensate qualified retirees at any combined percentage rating for combat-related disabilities compensated by the VA. Eligibility criteria was also relaxed with respect to the 20 year

requirement to include any member otherwise qualified who is receiving Reserve retired pay (paid at age 60 based on points for Reserve participation with 20 “good” years).

**Application Required:** To receive CRSC benefits, retirees must apply with their Branch of Service on a DD Form 2860. The Service will determine which disabilities, if any, qualify as combat-related. DFAS will pay CRSC based on the current combined disability rating of combat-related disabilities as compensated for the current month by VA. Benefits before January 2004 are based on the VA compensation rate for a “veteran alone” and applicable to only those disabilities determined as combat-related.

**Information:** Additional information is available at the following web sites.

Army: <http://www.crsc.army.mil/>

Navy & Marine Corps: <http://www.hq.navy.mil/ncpb/CRSCB/combatrelated.htm>

Air Force: <http://www.afpc.randolph.af.mil/disability/CRSC/CRSCnew.htm>

DoD: <http://www.defenselink.mil/prhome/crsc.html>

Coast Guard: POC Lt T. Walsh CGPC (Admin-1) @ (202) 493-1732

**3. Special Compensation for Severely Disabled Retirees (SCSD):** The SCSD program was repealed effective January 1, 2004, and replaced with more generous benefits under the CRDP program described above. Members had to have 20 years of service for the computation of retired pay. Those retired under disability retirement provisions (i.e., chapter 61, title 10, United States Code) were excluded from eligibility.

**SCSD Repealed Effective January 1, 2004:** No benefits are payable under SCSD for periods after December 31, 2003. SCSD became effective October 1, 1999 for qualified retirees with VA disabilities rated 70% or more within 4 years of retirement. The criteria were relaxed October 1, 2001, to include chapter 61 retirees so long as they had the required 20 years of service. Effective February 1, 2002, the criteria were again relaxed to include those with disabilities rated 60% or more within 4 years of retirement. 37,000 members were eventually compensated. Members not compensated who provide evidence of their qualifications may be retroactively compensated for any months in which they met the requirements of law.

**No Application:** Applications for SCSD were neither required nor accepted. Qualified members were identified and paid by DFAS using data in DoD and VA system files.

**RATES** - The rates applicable over various periods were as follows and based on the disability rating compensated by the VA for the month of entitlement:

VA Rating	Oct 1999	Feb 2002	Jan 2003	Jan 2004
60%	N/A	\$50	\$50	Program Repealed
70%	\$100	\$100	\$100	
80%	\$100	\$100	\$125	
90%	\$200	\$200	\$225	
100% (Total)	\$300	\$300	\$325	

January 30, 2004